RAJYA SABHA

Monday, the 27th February, 1989/8th Phalguna, 1910 (Saka)

The House met at eleven of the clock **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Prices of imported Rifampicin

*61. SHRI M.S. GURUPADASWAMY: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Rifampicin has been permitted to be imported from China, Bulgaria and Poland;

(b) Whether there is a sharp difference in the prices of imported Rifampicin from each of the above countries;

(c) whether there is any proposal to refix the price of Rifampicin pending the fixation of the uniform price of Rifampicin; and

(d) if so, what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (d) A Statement is laid on the Table of the Rajya Sabha.

Statement

(a) Yes, Sir. IDPL has been allowed to make import of the Bulk Drug Rifampicin from abroad.

(b) Only Chinese Rifampicin has been imported recently The present indications are that prices from other areas are higher;

(c) and (b) Representations for increase in the present sale price of Rs. 2500/ per Kg. are under consideration but a final decision has not yet been taken.

SHRI M. S. GURUPADASWAMY: Sir, the statement is very inadequate. It does not explain the situation. Rifampicin is a drug for leprosy patients and T.B. patients. It is a very important drug. There are six or seven firms which are manufacturing this drug, bulk drug by importing intermediates from abroad. The present capacity is adequate to meet the requirements in the country for the time being. In spite of that, the Government has allowed, permitted the IDPL to import this drug of inferior quality from China. China is famous for dumping drugs. Besides, Chinese material is very inferior. The IDPL is not a trading company either. In these circumstances, the IDPL was allowed by the Government to import this material and was allowed foreign exchange to be utilised for this purpose. As a result, the indigenous industry has suffered a setback, and the foreign exchange has been wasted unnecessarily. I want to know from the Minister why the IDPL was asked to import this substandard material from China spending scarce foreign exchange. When this material was available, a superior material, of course at a higher price in the country itself, why did they do so?

SHRI J. VENGAL RAO: Sir, in the last session I answered that the price of Rifampicin was reduced from Rs. 3,000 to Rs. 2,500. This drug is a poor man's drug. It is used for leprosy and T.B. Now we have got certain stocks with the IDPL. The companies want to make huge profits by importing from European countries. There is a cartel, and they have threatened the Government. That is

why we asked the IDPL to import it from China. It was certified by the Drug Controller of India. Its quality is good. That it is inferior is a rumour spread by private industries who are interested in making more profits.

SHRI M.S. GURUPADASWAMY: I am not concerned about this industry or that industry. I am concerned only about one aspect, whether the indigenous capacity is available for manufacturing the drug in adequate quantities to meet the requirement in the country. My friend said that they are quoting higher prices. The best way of going about this problem is to reduce the prices. I have no objection to reducing the prices after an enquiry into the cost. I am told that they have set up a departmental committee to go into this question. It must have submitted a report by now. What are the recommendations of this committee? Let the House know about it. I am not on that particular thing. I am only on this, when the capacity is available and we have got the power to go into the cost of production and fix the price, and we have fixed the price, I have no objection to fixing the price. Fix the price, re-fix the price, lower the price further if the cost is less.

So, where is the question of private industry coming in here? I am only attacking the policy of the Government. When the indigenous capacity is available, they import from abroad wasting foreign exchange resources.

SHRI YASHWANT SINHA: It is the general policy of the Government.

SHRI J. VENGAL RAO: Even now the IDPL has got stocks. If anybody wants, IDPL will supply the bulk drug for them. I would request Mr. Gurupadaswamy to know fully well that there is no indigenous production of intermediates for Rifampicin. We are importing it from European countries...

SHRI M.S. GURUPADASWAMY: I have siad earlier that intermediates are imported for manufacturing this bulk drug here and you have permitted the import.

SHRI J. VENGAL RAO: Sir, he has mentioned about the Committee's report. I may inform him that the Committee is meeting and that it has not yet submitted its report.

MR. CHAIRMAN: Is basic Rifampicin not manufactured in India?

SHRI J. VENGAL RAO: N0, Sir.

SHRI M.S. GURUPADASWAMY: That is clear. They import intermediates from abroad and made bulk drugs here and sell these drugs in the market. That is the position. They are not manufacturing the intermediates here. They have not done that so far. But the question is, you have allowed them to import intermediates so far and you are still allowing them to import the intermediates because the intermediates are not available here. My question is, why did you allow the IDPL, a manufacturing company, to import this drug from China, which is a substandard drug and which is not effective at all for treating TB and leprosy here?

SHRI J. VENGAL RAO: I have already answered that it is not a substandard drug. It has been certified by the

Drug Controller. Mr. Gurupadaswamy is not an expert.

SHRI M.S. GURUPADASWAMY: Sir, is he an expert? Are you an expert? *(Interrupttions)* Sir, he has not answered my last question—what has happened to the Committee's report. He had set up a committee to go into the question. I would like to know if the Committee has submitted its report and what are its recommendations.

SHRI J. VENGAL RAO: I have already answered that the Committee has not yet submitted its report.

SHRI M. S. GURUPADASWAMY: The report is delayed because the Chairman or Managing Director of the IDPL is a member of the Committee and he does not want the report to be submitted. earlier.

SHRI J. VENGAL RAO: That is not correct, Sir. The Committee has been meeting and it will submit its report in due course.

MR. CHAIRMAN: You will see that it gives its report quickly.

SHRI BIR BHADRA PRATAP SINGH: In spite of the fact that we have indigenous resource capability to produce Rifampicin...

MR. CHAIRMAN: We do not produce Rifampicin, the basic, as yet. That should be done. That is my request and that is my question. Will they do it?

SHRI J. VENGAL RAO: We have given a licence now to the IDPL and to some private party also to produce Rifampicin indigenously.

MR. CHAIRMAN: The basic?

SHRI J. VENGAL RAO: Yes, within one or two months they are starting.

SHRI BIR BHADRA PRATAP SINGH: My question is different. So long as it is in shrot supply and so long as it is essential for human life, it will have to be imported. Will the hon. Minister kindly consider for the Government to avoid such a situation, as the questioner has suggested, and issue a notification under the Import-Export Control Act of 1947 and the Customs Act and fix minimum and maximum prices CIF, Indian port, for such a sensitive product?

SHRI J. VENGAL RAO: Previously we were doing that. They were producing false invoices and collecting more money. A raid was also made at one importer's house and documents were seized. The case is going on. That is why we asked the IDPL to import directly from China and supply even the existing manufactured drugs.

SHRIMATI RENUKA CHOWDHURY: We are importing this bulk drug. The Ministers has said just now that he has reduced the price. May I know from the Minister what is the margin that is costing us to market it retail after making it indigenously here taking it from the source?

SHRI J. VENGAL RAO: Previously it was Rs. 3,000 per kg and now we have fixed at Rs. 2,500 per kg. The landed price cost for this is between Rs, 2,100 and Rs. 2,300. We have kept Rs. 200 as margin for each case.

SHRIMATI RENUKA CHOWDHURY: How much it is costing to the consumer? How much it is costing us to

import? How much profit is being made by the industry?

SHRI J. VENGAL RAO: From Rs. 3000 we have reduced it to Rs. 2,500 . . . (*Interruptions*). . .

MR. CHAIRMAN: I cannot ask on his behalf. Mr. Rajni Ranjan Sahu.

श्री रजनी रंजन साहू: सभापति महोदय, मंत्री महोदय ने उत्तर के "ख" भाग मे कहा है कि वर्तमान संकेतों से पता चलता है कि अन्य क्षेत्रों में इसके मूल्य अधिक हैं। ऐसी स्थिति में क्या मंत्री महोदय यह बताने की कृपा करेंगे कि अन्य क्षेत्रों मे इसका क्या मूल्य है और इस मूल्य का पता लगाने के लिए इनके विभाग के पदाधिकारियों ने कितनी बार विदेशों का भ्रमण किया और वे किस किस के साथ गये . . . श्रीमन्, मेरा कहना यह है कि मंत्री महोदय ने अपने उत्तर में कहा है कि अन्य क्षेत्रों मे इसका मूल्य ज्यादा है। मैं यह जानना चाहता हूं कि वह मूल्य क्या है और इसका पता लगाने के लिए कितनी बार इनके पदाधिकारी विदेशों में गये?

श्री सभापति: मूल्य तो बता सकते हैं लेकिन कौन अफसर गये, यह तो मुश्किल है।

SHRI J. VENGAL RAO: Shall I answer his question?

MR. CHAIRMAN: You answer only the price part.

SHRI J. VENGAL RAO. Actually the import price of Rifampicin is less than 155 Dollars per kg compared to 187 to 190 Dollar per kg for imported intermediates. This price is less than the intermediates.

श्री रजनी रंजन साहू: मैं यह जानना चाहता हूं कि अन्य क्षेत्रों में कहां-कहां क्या कीमत हैं?

श्री सभापति: उनका कहना है कि अन्य कन्ट्रीज मे अलग-अलग जगहों पर क्या अलग-अलग कन्ट्रीज के कोई कोटेशन आये हैं?

SHRI J. VENGAL RAO: In other countries there is shortage of this drug in order to dictate terms to our country and they are also supporting private importers. That is why they are quoting high prices. We are importing this drug from China.

MR. CHAIRMAN: To bring down the prices?

SHRI J. VENGAL RAO: Yes, Sir.

SHRI M.S. GURUPADASWAMY: Are they importing Chinese sub-standard drugs for the future also?

SHRI J. VENGAL RAO: I have already said more than once that it is not a sub-standard drug. It has been certified by the Drug Controller also. . . (*Interruptions*). . .

MR. CHAIRMAN: I cannot decide.

DR (SHRIMATI) SAROJINI MAHISHI: Sir, every year 15 million people in this country are affected with these diseases T.B. and Leprosy. The patient has to consume these drugs for a period of 11 months or one year continuously. If there is a break they have to start it again from the beginning and consume it for 11 months or so. Under these circumstances, what reasonable, fair price has been fixed by the Ministry to ensure availability of the drug to the patients?

Secondly, IDPL is supposed to manufacture this drug from the intermediates from two steps backward as others are doing. Under these circumstances why IDPL was allowed to import the bulk drug and sell it?

Thirdly, if the Government has got the power to collect the price of this drug from different countries like Italy, Bulgaria, Poland and so many other countries, why they are not doing it? A Committee has been appointed to go into these things and that Committee is delaying the report. I hope the Minister will expedite the report of the Committee and see that the price is fixed for one and all, taking into consideration the depreciation of the rupee also because a

new context arises here. I would like the Minister to answer these questions.

SHRI J. VENGAL RAO: Sir, through you, I want to know one thing from the hon. Members. Do they want higher price or lower price?

DR. (SHRIMATI) SAROJINI MAHISHI: We want quality drugs for a fair price to be supplied to the consumers (*Interruptions*).

SHRI J. VENGAL RAO: We are going to supply quality drugs at a lesser price. You are asking for a higher price (*Interruptions*).

SHRI B. SATYANARAYAN REDDY: He is avoiding every question. We have already wasted ten minutes and he has not given any correct answer. *(Interruptions)*.

SHRI M.S. GURUPADASWAMY: We want the consumers to get the best quality drugs available at a cheaper price.

MR. CHAIRMAN: He says that the Drug Controller says, it is a good quality drug. Now, I cannot do anything.

SHRI SANTOSH BAGRODIA: Sir, I would like to know from the Minister what is the difficulty in importing Rifampicin or any other similar drug on an open tender system so that the lowest bidder gets the order for a product of the same quality and what are the main factors other than quality and availability influencing the Government's decision on the import of such drug.

SHRI J. VENGAL RAO: Sir, after verifying quotations from all the countries, the lowest bidder is China and we are importing it from China.

MR. CHAIRMAN: And it is of quality?

SHRI J. VENGAL RAO: Yes Sir. *(Interruption)*.

SHRIMATI RENUKA CHOWDHURY: I think, the Chairman is invoking a law of Preventation of Cruelty to a Minister. He cannot answer anything and you are protecting him.

MR. CHAIRMAN: I have a special soft corner for people from Andhra Pradesh.

SHRIMATI RENUKA CHOWDHURY: Thank you, Sir. But don't bring me under the same umbrella. *(Interruption)*.

SHRI A.G. KULKARNI: . . . but please have a little pity on the Minister also. You protect the Minister and not these Members *(Interruptions)*. Mr. Vengal Rao is correctly replying to you *(Interruptions)*.

SHRI B. SATYANARAYAN REDDY: Mr. A.G. Kulkarni, you are the seniormost Member of this House. *(Interruptions)*. They are providing sub-standard drugs. Do you want to put the lives of people in danger by supplying substandard drugs?

(Interruptions)

SHRI A.G. KULKARNI: Are you a doctor or are you an inspector? You are nobody.

Royalty on Oil and Natural Gas extracted from Bombay High

†62. SHRI PRAMOD MAHAJAN:
SHRIMATI SUDHA VIJAY JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government of Maharashtra has requested the Central Government for payment of royalty on oil and natural gas exracted from Bombay High and similar off-shore structures near Maharashtra; and

(b) if so, what action Central Government have taken or propose to taken

†The question was actually asked on the floor of the House by Shri Pramod Mahajan.